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SUBJECT: U.S.-EU TROIKA POLITICAL DIRECTORS - PRODUCTIVE
DISCUSSIONS ON ESDP, IRAQ, NON PROLIFERATION

Classified By: A/DCM SCOTT KILNER. REASON:1.5 (B)(D)

¶11. (C) SUMMARY: A/S Jones had broad, frank and productive discussions at the U.S.-EU Troika Political Directors meeting, chaired by Italian MFA POLDIR Giancarlo Aragona in Rome on July 18. Both sides agreed on the need for strengthened and complementary U.S.-EU and EU-NATO security relations under Berlin plus, and for support of the ESDP operation in Macedonia; the US and EU remain open to an EU command of SFOR responsibilities in Bosnia, if and when conditions merit the transfer from NATO. Jones stressed that Galileo will require a political-level decision, based on technical discussions, to successfully resolve the overlay problem. The Middle East is a priority for the Italian Presidency and the EU praised President Bush's personal involvement. A/S Jones noted the President wants the Quartet to play a strong role in the MEPP. She also noted progress on resolving remaining differences on the Container Security Initiative and the Passenger Name Record programs. Although little headway was made on ICC/article 98, the non-confrontational exchange of views allowed both sides to clarify their concerns. Both sides agreed that in Iraq, the international community should focus on security issues, improvement of quality of life, development of self-governing mechanisms, and economic revitalization. The Afghanistan government projects a budget shortfall of over 180 million USD; the EU is on track to meet its pledge of one billion Euros over five years. A/S Jones expressed appreciation for the development and launch of the EU Strategy against Proliferation of WMD; now we should focus on practical measures in Iran and North Korea. Jones argued that the U.S. and EU should develop a strategy to use the next IAEA report, which will reportedly be very critical of Tehran. Aragona said that North Korea's WMD program is a multilateral, global problem, and needs a joint and coordinated response. He expressed hope that China would play a helpful role. A/S Jones urged the EU to use Moscow's desire for good relations with the West to promote reforms in Russia, and said that the US was open to an EU stabilization force in Moldova, under an OSCE mandate. End Summary

Participants

¶12. (U) U.S.: Beth Jones, Assistant Secretary European and Eurasian Affairs; Chuck English, Director, Office of European Union Affairs; Scott Kilner, Econ Counselor, U.S. Embassy Rome; Gary Robbins, POL-MIL Counselor, U.S. Embassy Rome; Lee Litzenberger, Political Officer, U.S. Mission to the EU; Kent Logsdon, Special Assistant to A/S Jones; Marja Verloop, EU Desk Officer; and Jim Donegan, Political Officer, U.S. Embassy Rome. Presidency: Giancarlo Aragona, Political Director; Sandro De Bernardin, CFSP Coordinator and European Correspondent; Gerolamo Schiavoni, Head, North America Bureau; and Pierfrancesco Sacco, Deputy European Correspondent. Council Secretariat: Robert Cooper, Director General; Jim Cloos, Director Transatlantic Relations; and Massimo Parnisari, European Correspondent. European Commission: Fernando Valenzuela, Deputy Director General for External Relations; Percy Westerlund, Director, North America; and Peter Dun, Assistant European Correspondent. Ireland: David Cooney, Political Director; and Kevin Conmy, European Correspondent.

European Security Strategy (ESS)

¶13. (C) Aragona began by saying he was pleased that the June U.S.-EU Summit had set the right tone for progress on the European Security Strategy. The outline Solana presented in Thessaloniki would serve as the foundation for further work; the goal is to have the document ready to sign by member state heads of government at the December EU Summit. The Italian Presidency would do whatever was necessary to ensure the document strengthened and complemented US-EU and EU-NATO security relations - in other words, that it was completely in accordance with Berlin plus. The Italian Presidency will host a Ministerial at 25 on August 29 to discuss European Security Strategy progress and "emerging proposals" from the April 29 Brussels Defense Mini-Summit. Cooper added that the

European Security Strategy process was in its beginning stages, and should include input from both the US and NATO as it progresses. He offered to travel to Washington for consultations, and looked forward to a period of discussion and "workshops" during the fall before detailed drafting begins in November. Valenzuela noted that European Security Strategy would also encompass internal security issues, such as energy and trade.

14. (C) A/S Jones welcomed the Solana European Security Strategy draft, and emphasized that it mirrors closely U.S. views on ESDP's relationship to NATO. She was pleased to hear Aragona emphasize that the European Security Strategy would complement and strengthen US-EU and EU-NATO security relations, and accepted Cooper's offer to travel to Washington for more detailed discussions - the U.S. wants to collaborate in this process, and we look forward to seeing the EU move concepts from paper to concrete actions.

ESDP Missions - Berlin Plus

15. (C) Aragona said that the three active ESDP missions (Macedonia, Congo and Bosnia police) demonstrated that the EU was committed to enhancing its security capabilities in line with Berlin plus. Europeans do not want to be "laggards" when it comes to its security responsibilities, particularly when they involve the Balkans. Aragona noted that the Copenhagen EU council expressed willingness for an EU takeover of SFOR functions in Bosnia if and when conditions merit a transfer from NATO command.

16. (C) Cooper said that in his view, the EU-NATO relationship has done well and come a long way from the Berlin plus signing last December to launching Operation Concordia just three months later. The EU has "surprised itself" with the rapidity with which it deployed to the Congo. The EU intends to be "out on time" from the Congo, which will make it easier to deploy other operations in the future, as contributing nations will be confident they will not be engaged in drawn out operations. Cooper emphasized that the military deployment was but one aspect of the Congo operation. The EU will commit resources and personnel to stabilizing all aspects of the Congo's political and economic infrastructures. Cooper reiterated that there was no disagreement with the US on a possible EU takeover of SFOR command in Bosnia - it will happen only when the U.S., EU and NATO decide together that it is time. Cooney agreed, and looked forward to a "real test" of Berlin plus in Bosnia. He also expressed satisfaction with the 550 "high quality" officers deployed by the EU for police training in Bosnia

17. (C) Cooper said that he was not satisfied with some aspects of the Berlin plus relationship, and not entirely enthusiastic about the "political atmosphere" between NATO and EU. The EU and NATO had not yet developed a "habit" of active cooperation. SHAPE does not yet function as a platform for Berlin plus and planning for EU operations. This may be the result of growing pains and the fact that the three ESDP operations thus far did not depend heavily on sharing NATO assets or planning capabilities. Aragona averred that once ESDP and Berlin plus got up to "cruising speed," these initial problems would evaporate.

18. (C) A/S Jones said that the USG was pleased that after four years of negotiations between the EU and NATO, an ESDP operation in accordance with Berlin plus was finally launched in March to Macedonia, and she emphasizes this point with the American public whenever possible. It was unfortunate that headlines from elsewhere in the world in March meant Concordia did not receive the notice it deserved - especially as it relates to the new relationship between ESDP and NATO. A/S Jones pledged to work with the EU and NATO so that SHAPE does in fact begin to feel like a proper military headquarters for the EU. Our main concern is that we avoid duplication of capabilities and headquarters - we want to streamline and become more efficient to more effectively address new threats.

19. (C) A/S Jones reiterated that the U.S. remains open to an EU takeover from SFOR in Bosnia, but not now. The security

situation at the moment and unfinished business relating to apprehending Persons Indicted for War Crimes and terrorists call for a continued NATO presence of 12,000 personnel at least through the fall. In the Balkans we remain committed to "in together - out together." A/S Jones also praised the police training mission in Bosnia, and hoped it could serve as a model for missions to Afghanistan and Iraq.

Galileo

¶10. (C) A/S Jones noted President Bush was clear that the U.S. has strong political concerns about how Galileo's planned overlay of the GPS M-code could adversely impact Allied military communication. She stressed that technical experts have demonstrated that any overlay, even partial, will interfere with Allied military capabilities. She reassured the EU that it is not our intention to have Galileo be a second-class system; we believe that by separating GPS and Galileo we could support the NATO Alliance without degrading Galileo. A/S Jones welcomed the EU offer to stay in contact.

¶11. (C) Valenzuela is hopeful that experts can find a solution between the two extremes of satisfying security and avoiding second-class status for Galileo. He stressed the importance of a clear political mandate and noted that we have everything to gain from complementary systems and nothing to gain by impeding one another. He said that the EU is ready to hold classified consultations regardless of venue. Once the experts have worked out the issues, the Commission will have to consider matters of cost, robustness, and delays.

¶12. (C) Aragona stressed Italy's desire to fully safeguard U.S. security concerns, and noted the rest of the EU Member States felt similarly. However, he reiterated that it is equally important Galileo be first class -- technologically functional and credible. He was glad to see this is fully recognized by the U.S. administration and is confident that we are moving ahead on a sound footing. He applauded the Commission's willingness to let the U.S. choose the venue for the classified session, provided it is a U.S.-EU conversation. Cooper added that it is important to keep the prize in mind. "If the technicians can make it work, two systems are better than one -- and our people are instructed to find a solution."

¶13. (C) A/S Jones noted the question of venue will be resolved, but stressed this situation may still require a political-level decision, based on technical discussions, to come to a firm conclusion. Everyone agreed the next step was open-minded technical talks. David Cooney, Irish Political Director, added that there is full consensus in the EU, including non-NATO EU countries, that no one wants to undermine the NATO alliance.

Middle East

¶14. (C) A/S Jones noted that intense discussions are underway bilaterally with both Sharon and Abu Mazen, and underscored the need to continue working with Palestinians on prisoner releases, fence and security issues, and with the Israelis on security on the ground. On the economic side, A/S Jones raised need to move fast and get a direct budget for the Palestinians in order to expand support for Abu Mazen and enhance his ability to make agreements with Sharon for the greater good. Intense cooperation should continue with the Quartet; both the U.S. and the EU must push both sides at the GAERC and meetings in Washington.

¶15. (C) Aragona confirmed the Middle East is a priority for the Italian Presidency. He welcomed the U.S. efforts, and President Bush's increased involvement. He agreed the situation is fragile and requires commitment, which the EU is ready to take on. He explained Sharon and Abu Mazen would appear in succession at the GAERC, and the EU would impress upon them the need to move ahead with roadmap implementation. Aragona stressed the need for a credible, effective

monitoring mechanism, and highlighted the appointment of new special envoy, Ambassador Otte. Cooney noted the EU can play a complementary role to push the Arabs to meet their commitments, and pointed out that the EU is not looking for glory -- but is looking for peace. Valenzuela raised the importance of keeping the Palestinian Authority functioning with economic support, and the need for the population itself to see the dividends of peace. He added that new focus on the private sector would also have positive effects.

¶16. (C) A/S Jones noted the President wants the Quartet to play a strong role to resolve the conflict, and that from the U.S. perspective, each Quartet member should strive for equal credibility with both parties for more effective agreements.

Counter-Terrorism

¶17. (C) A/S Jones described U.S.-EU CT cooperation as very strong, especially between EU Justice and Home Affairs (JHA) experts and their U.S. counterparts. This was highlighted

during the summit with the signing of the Mutual Legal Assistance and Extradition agreements. She noted progress on terrorism finance, but urged the EU to designate all wings of Hamas and Hizballah, and groups that raise funds for them, as terrorist entities. A/S Jones noted progress on resolving remaining differences on the Container Security Initiative and the Passenger Name Record programs, and looked forward to closing remaining gaps. Aragona reiterated the high priority the EU places on CT cooperation and said the EU wants to enhance cooperation in information collection and sharing and terrorism finance.

¶18. (C) Aragona said that EU Foreign Ministers will discuss Hamas at the July 21-22 GAERC, an issue now "under constant review." However, he noted that Hamas' respect for the current ceasefire would need to be taken into account. Cooper said Hamas was not a black and white issue for the EU. Its designation raised questions -- whether the international community would ever want to include Hamas in a political process; and how to replace the social services Hamas provides Palestinians. He said the EU has also talked extensively to Abu Mazen about Hamas, and is "pulled in different directions" regarding potential designation. A/S Jones pressed again for EU designation of Hamas and Hizballah as terrorist organizations.

International Criminal Court

¶19. (C) Aragona stated his understanding of U.S. public and congressional pressure against ICC, but noted the equally strong conviction in Europe in support of the ICC and the principle of international jurisdiction. In addition, the EU view is that the mechanisms of the ICC will protect against the politicization of the court that the U.S. fears. He said the U.S. and EU needed to avoid "divisive engagement" on this issue; in spite of our differences it was in U.S.-EU interests to manage this issue successfully. Aragona said the EU's guiding principles on Article 98 agreements were not a campaign against U.S. efforts to negotiate Article 98 agreements. Aragona said he hoped the ICC would establish a track record that would persuade the U.S. to reconsider its position.

¶20. (C) A/S Jones clarified that there was no disagreement between the U.S. and the EU over the importance of prosecuting war crimes. The disagreement was over the failure, in drafting the Rome statute, to provide safeguard mechanisms such as those applicable to the ICTY, making the tribunals accountable to the international community. Just as countries tell us that for constitutional reasons they cannot deploy troops abroad without a UN decision, we cannot for constitutional reasons subject U.S. citizens to a tribunal that is not accountable to the international community. A/S Jones noted that EU guidelines allow Member States to negotiate Article 98 agreements. She noted that some Member State Ambassadors, with strong personal convictions on the issue, have been overly eager to tell accession countries that Article 98 agreements are not

allowed, or that signing an agreement could jeopardize EU assistance funds. We know this is not EU policy, and seek EU help to clarify to Member State Ambassadors what is appropriate for them to tell accession and third countries, and what is not.

¶21. (C) Aragona replied that he could not exclude that some Member State Ambassadors might have made the representations described by A/S Jones, but the EU position on Article 98 agreements is clear, and exists in writing. The only authorized way for the EU position to be conveyed to third countries is via the Presidency or the EU Troika. Valenzuela added that the notion that the EU could threaten to withhold assistance from accession countries was remote. The procedures involved would include a European Court of Justice decision -- after accession of the country concerned. Cooney noted that the U.S. and the EU had both given countries "a pretty hard time" over Article 98 agreements, and cited U.S. pressure, via withholding military assistance under provisions of the American Servicemembers Protection Act (ASPA) as an example. Although Ireland was not a recipient of US Security assistance, the application of ASPA to Ireland, Cooney said, would not bring Ireland any closer to signing an Article 98 agreement. A/S Jones responded that ASPA was the law of the land, and U.S. military assistance to countries amounted to 1/100th of potential EU assistance to accession states, so the two situations were not comparable. (Comment. Although little headway was made on the substance, the direct but non-confrontational exchange of views allowed both sides to clarify their concerns. End comment.)

Iraq

122. (C) A/S Jones provided an update of the situation in Iraq, focusing on five key priorities: security issues, improvement of quality of life, assistance from the international community, development of self-governing mechanisms, and economic revitalization. She outlined developments in police staffing and training, legal and judicial reform, electricity production and supply, and the establishment of the Iraqi Governing Council. She noted plans to convene a donors' conference in October, adding that the US hopes the EU will be an active participant, perhaps taking the opportunity of the July 21 GAERC to make this commitment.

123. (C) Aragona praised the creation of the IGC as an important step, and agreed on the primary importance of providing a secure environment in which Iraq's most pressing needs can be addressed. He said the EU would continue to work closely with Ambassador Bremer and his team. While it may be premature to get into specifics about the October donors' conference, the US should be assured that the EU will play a very supportive role on financial assistance and reconstruction. Aragona stressed the importance of Iraqis & owning8 this process.

124. (C) Aragona requested US views about an eventual UN role in Iraq. A/S Jones replied that UNSCR 1483 addresses existing responsibilities. The Allied Coalition understands and accepts its responsibilities, and will focus on the five priorities outlined earlier. Any discussion of transfer of authority would, at this point, be premature.

Afghanistan

125. (C) A/S Jones noted that the Afghanistan government projects a budget shortfall of over 180 million USD. The EU has already committed 50 million USD; we hope it will give another 20 million. Additionally, Afghan elections are expected to cost about 100 million USD; we trust that the EU will also be supportive of that process. A/S Jones briefed on the Provincial Reconstruction Team program and urged EU participation. She also expressed appreciation for the willingness of the EC's Humanitarian Aid Office (ECHO) to permit personnel of the Coalition Joint Civil-Military Operations Task Force (CJCMOTF) to use UN Humanitarian Air Service flights for crucial transport, and urged ECHO to

extend such usage beyond August 1.

126. (C) Cooney expressed concern that constitutional consultations were taking place without circulation of draft texts, saying this was giving rise to suspicions that the process was not really inclusive. Cooney also expressed concern about possible delays in the electoral process. Cooper added that there is a growing perception among many Afghans that a &fix8 is in which will simply ratify existing powers.

127. (C) Valenzuela said the EU is on track to meet its pledge of one billion Euros over five years, with outlays during the current year totaling over 200 million. He recognized the need for electoral funding, but was noncommittal, noting that the EC budget is already stretched. Valenzuela also echoed Cooper's concerns that the electoral process not be perceived as favoring status quo warlord power. In that regard, he expressed general support for extending Kabul's power and influence into the provinces, but said present plans do not envision EU participation in the PRT's.

Nonproliferation

128. (C) Aragona said that the conceptual framework for NP coordination is contained in the EU Strategy Against Proliferation of WMD; now we should focus on practical measures in Iran and North Korea. A/S Jones expressed appreciation for the development and launch of the nonproliferation initiative. While we recognize that there are some differences of perception, we agree that there are ample opportunities for cooperative action. A/S Jones expressed US concerns about proceeding with an initiative in the UNGA, but said the US is willing to discuss this possibility with EU experts.

129. (C) Cooper said the Commission has developed four main areas of emphasis. First, the IAEA has proven very useful, most recently with Iran. Second, the EU will, in consultation with the U.S., review all of its treaty relationships with a view to adopting language requiring nonproliferation cooperation. Third, the Commission wishes to review (at 25) the best practices of various nonproliferation regimes. Finally, Cooper lauded the

Proliferation Security Initiative, but noted that not all EU member states were asked to participate in PSI, and asked whether such EU participation might be possible. A/S Jones said the US would welcome broader participation that expands the effectiveness of the PSI. Aragona said that, as one of the original PSI participants and EU Presidency country, Italy might be well placed to explore the idea of greater inclusiveness.

Iran

130. (C) Aragona noted that Italian FM Frattini recently told his Iranian counterpart that prompt and unconditional agreement to the Additional Protocol sought by the IAEA is essential. He said that political dialogue and economic cooperation must be linked, and we should balance our approaches and avoid steps that might prove counterproductive. A/S Jones said the U.S. and EU should develop a strategy to use the next IAEA report, which will reportedly be very critical of Tehran. The U.S. recognizes that Iran is divided; the key question is how to influence internal dynamics to achieve the changes in Iranian policy that we seek.

North Korea

131. (C) Aragona said that North Korea's WMD program is a multilateral, global problem, and needs a joint and coordinated response. He expressed hope that China might be able to foster a renewal of dialogue with the DPRK. A/S Jones welcomed Aragona's recognition that North Korean proliferation is a global issue. The criminality of the

regime is also a factor. Valenzuela lauded the intensity of U.S. dialogue with China and Japan on North Korea, but expressed concern that discussions with other KEDO members outside the framework of KEDO might affect that body, and asked that we keep the EU in the loop on all KEDO-related matters.

Russia

132. (C) Aragona said the EU is making progress with Russia on border/immigration issues, combating organized crime and drug trafficking. The EU raises Chechnya and human rights issues, but has not had much success. The EU assessment is the Russians are content with their role within the Quartet. On Moldova, Aragona said that Russian FM Ivanov is extremely uncomfortable with any "outside" role in a settlement. On nonproliferation, Aragona said the Russians may be moving in

the right direction, but this was an Italian national assessment.

133. (C) A/S Jones urged the EU to use Russia's desire for good relations with the West to promote reforms. On Chechnya, despite Russian extreme sensitivities, the U.S. raises it at all levels, including at summit meetings, pointing out that there must be a political solution that also addresses underlying causes. On human rights/media freedom and economic reform, much still needs to be done. The U.S. is concerned about Putin's recent closure of TV stations.

Moldova/Frozen Conflicts

134. (C) A/S Jones outlined U.S. frustration with the Russian MFA "stone wall" that blocks any effort to move ahead on Moldova or any of the frozen conflicts. The U.S. strategy, which is still being developed, is to say to Moscow that if it wants good relations with the U.S. and the West (e.g. visa free travel with the EU) then it can't say the EU has no voice in a Moldova settlement. A/S Jones outlined upcoming U.S.-Russian meetings that can be used to raise these issues above the level of the MFA, and said the U.S. would welcome a similar EU effort. Russia cannot be allowed to take "Cold War" positions on Moldova and Georgia.

135. (C) Cooney agreed there was a big gap between Russian rhetoric and action, and outlined three reasons why the EU sought a role in a Moldova settlement. First, the EU wants conflict resolved on what will be its borders. Second, Moldova is an economic basket case -- per capita GDP is two percent of the EU average and it is a source of organized crime and trafficking in persons. Third, the EU wants a resolution in Moldova before enlargement encompasses Romania in order to avoid further tension along that border. Cooney noted that public discussion of a potential EU peacekeeping

force in Moldova was not helpful in reaching a political settlement -- it would just upset the Russians. Aragona added that no decisions have been taken; when the day comes that the OSCE does reach a decision, and if the OSCE asks the EU to take this role, the EU will have to take the Russian connection to Moldova into account. A/S Jones said that the U.S. was open to an EU stabilization force in Moldova, under an OSCE mandate, and would want such a mission to draw on NATO planning. It should follow the Macedonia, not Congo, model since it would be in the European theatre.

36 (U) A/S Jones has cleared this cable.

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